

**ST. TAMMANY PARISH
FIRE PROTECTION DISTRICT NO. 9**

Audit of Financial Statements

December 31, 2009

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date

8/11/10

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Independent Auditor's Report

To the Board of Commissioners
St. Tammany Parish Fire Protection District No. 9
Bush, Louisiana

We have audited the accompanying financial statements of the governmental activities and the major fund of St. Tammany Parish Fire Protection District No. 9 (the District), a component unit of the St. Tammany Parish Government, as of and for the year ended December 31, 2009, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of St. Tammany Parish Fire Protection District No. 9 as of December 31, 2009, and the respective changes in financial position, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 3, 2010, on our consideration of St. Tammany Parish Fire Protection District No. 9's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management has omitted the Management's Discussion and Analysis information that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB), who considers it be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on page 20 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

A Professional Accounting Corporation

May 3, 2010

**BASIC FINANCIAL STATEMENTS
GOVERNMENT-WIDE FINANCIAL STATEMENTS**

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 9
Statement of Net Assets
December 31, 2009

Assets	
Cash and Cash Equivalents	\$ 48,108
Receivables - Ad Valorem, Net	521,650
Receivables - Revenue Sharing	27,517
Capital Assets, Net of Accumulated Depreciation	<u>1,204,450</u>
Total Assets	<u>1,801,725</u>
Liabilities	
Accounts Payable	202
Payroll Taxes Payable	12,419
Capital Lease Payable	
Due Within One Year	19,423
Certificates of Indebtedness	
Due Within One Year	40,000
Due in More than One Year	<u>42,000</u>
Total Liabilities	<u>114,044</u>
Net Assets	
Invested in Capital Assets, Net of Related Debt	1,103,027
Unrestricted	<u>584,654</u>
Total Net Assets	<u>\$ 1,687,681</u>

The accompanying notes are an integral part of these financial statements.

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 9
Statement of Activities
For the Year Ended December 31, 2009

Function/Program	Expenses	Program Revenue		Net (Expense) Revenue and Change in Net Assets
		Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities				
Public Safety - Fire Protection	\$ 628,302	\$ -	\$ 95,361	\$ (532,941)
Interest on Long-Term Debt	4,029	-	-	(4,029)
Total	\$ 632,331	\$ -	\$ 95,361	(536,970)
General Revenues				
Ad Valorem Taxes				519,356
Intergovernmental Revenues				
State Revenue Sharing				50,757
Fire Insurance Premium Tax				12,570
Miscellaneous				22,407
Proceeds from Sale of Equipment				11,950
Interest				676
Extraordinary Item - Merger of St. Tammany Parish Fire District No. 10 into Fire District No. 9				245,436
Total General Revenues and Extraordinary Item				863,152
Change in Net Assets				326,182
Net Assets, Beginning of Year				1,361,499
Net Assets, End of Year				\$ 1,687,681

The accompanying notes are an integral part of these financial statements.

**FUND FINANCIAL STATEMENTS
GOVERNMENTAL FUND**

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 9
Balance Sheet
Governmental Fund
December 31, 2009

	General Fund
Assets	
Cash and Cash Equivalents	\$ 48,108
Receivables - Ad Valorem, Net	521,650
Receivables - Revenue Sharing	<u>27,517</u>
Total Assets	<u>\$ 597,275</u>
Liabilities	
Accounts Payable	\$ 202
Accrued Expenses	<u>12,419</u>
Total Liabilities	<u>12,621</u>
Fund Balance	
Unreserved, Undesignated	<u>584,654</u>
Total Fund Balance	<u>584,654</u>
Total Liabilities and Fund Balance	<u>\$ 597,275</u>
Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Assets	
Total Fund Balance	\$ 584,654
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	1,204,450
Long-term liabilities, including certificates of indebtedness and capital leases, are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(101,423)</u>
Net Assets of Governmental Activities	<u>\$ 1,687,681</u>

The accompanying notes are an integral part of these financial statements.

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 9
Statement of Revenues, Expenditures and Changes
in Fund Balance - Governmental Fund
For the Year Ended December 31, 2009

	General Fund
Revenues	
Ad Valorem Taxes	\$ 519,356
Intergovernmental Revenues	
Grant Revenue	95,361
State Revenue Sharing	50,757
Fire Insurance Premium Tax	12,570
Miscellaneous Income	22,407
Proceeds from Sale of Equipment	11,950
Interest	676
Total Revenues	<u>713,077</u>
Expenditures	
Public Safety - Fire Protection	
Salaries and Benefits	364,102
Operations and Repairs	67,593
Equipment and Supplies	21,116
Insurance	16,848
Professional Fees	14,869
Utilities	13,327
Dispatcher Fees	8,940
Training	6,191
Other	5,835
Office Supplies	3,137
Debt Service	
Principal	38,000
Interest	4,029
Capital Outlay	120,697
Total Expenditures	<u>684,684</u>
Excess of Revenues over Expenditures	<u>28,393</u>
Other Financing Sources	
Transfer from Fire Protection District No. 10	32,725
Net Change in Fund Balance	61,118
Fund Balance, Beginning of Year	<u>523,536</u>
Fund Balance, End of Year	<u><u>\$ 584,654</u></u>

The accompanying notes are an integral part of these financial statements.

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 9
Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balance of the Governmental Fund to the Statement of Activities
For the Year Ended December 31, 2009

Net Change in Fund Balance	\$ 61,118
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Amounts reported for governmental activities in the Statement of
Activities are different because:

Governmental funds report capital outlays as expenditures.

However, in the Statement of Activities, the cost of those assets
is allocated over their estimated useful lives and reported as
depreciation expense. This is the amount by which capital outlay
exceeded depreciation in the current period.

246,487

The issuance of long-term debt (e.g., certificates of indebtedness)
provides current financial resources to governmental funds, while
the repayment of the principal of long-term debt consumes the
current financial resources of governmental funds. Neither
transaction, however, has any effect on net assets. Also,
governmental funds report the effect of issuance costs, premiums,
discounts, and similar items when debt is first issued, whereas
these amounts are deferred and amortized in the Statement of
Activities. This amount is the net effect of these differences
in the treatment of long-term debt and related items.

18,577

Change in Net Assets of Governmental Activities

\$ 326,182

The accompanying notes are an integral part of these financial statements.

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 9

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies

Reporting Entity

St. Tammany Parish Fire Protection District No. 9 (the District) was created by the St. Tammany Parish Police Jury (now known as the St. Tammany Parish Government), as provided by Louisiana Revised Statute (LRS) 40:1492. The District was created to acquire, maintain and operate buildings, machinery, equipment, water tanks, water hydrants and water lines, and any other things necessary to provide proper fire prevention and control within the District limits. The administration of the District is governed by a Board of Commissioners consisting of five members. Two members are appointed by the St. Tammany Parish Government and two by the governing body of the Town of Sun. The fifth member is selected by the other four members and serves as chairman. Vacancies are filled by the bodies making the original appointments.

The District operates four fire stations and provides fire protection and emergency medical services to an area covering approximately 75 square miles. Fire protection services are provided by volunteers and approximately six full-time paid firefighters, and one full-time fire chief.

An ordinance finalized the redistricting, merger and consolidation of St. Tammany Parish Fire Protection District No. 9 and St. Tammany Parish Fire Protection District No. 10 on November 5, 2009. At this time, St. Tammany Parish Fire Protection District No. 10 transferred a cash balance of \$32,725, and fixed assets, net of accumulated depreciation, in the amount of \$212,711 to St. Tammany Parish Fire Protection District No. 9. The merger was recorded as an Extraordinary Item on the Statement of Activities for the year ended December 31, 2009.

GASB Statement No. 14, *The Reporting Entity*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the District is considered a component unit of the St. Tammany Parish Government, which appoints two of the District board members and has the ability to impose its will on the board. As a component unit, the accompanying financial statements are included within the reporting of the primary government, either blended into those financial statements or separately reported as discrete component units.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Assets and the Statement of Activities) report information on all of the non-fiduciary activities of the District.

Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 9

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Government-Wide and Fund Financial Statements (Continued)

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

The District uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain District functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. The emphasis on fund financial statements is on major funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the District, or the total assets, liabilities, revenues, or expenditures of the individual governmental fund is at least 10 percent of the corresponding total for all governmental funds. The District's only fund, the general fund, is classified as governmental.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Ad valorem taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities are generally included on the Balance Sheet. The Statement of Revenues, Expenditures and Changes in Fund Balance reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to the government-wide financial statements. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Ad valorem taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 9

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

The District reports the following governmental fund:

The General Fund is the District's primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in another fund.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Budget Policies

The District adopts an annual budget for the General Fund on a cash basis of accounting. The budget is legally adopted and amended as necessary by the District. All budgeted amounts which are not expended or obligated through contracts lapse at year-end.

Cash and Cash Equivalents and Investments

Cash includes amounts in demand deposits and money market accounts. Amounts in time deposits and those investments with original maturities of 90 days or less are considered to be cash equivalents. Under state law, the District may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Under state law, the District may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at market.

Receivables

All receivables are reported net of estimated uncollectible amounts. The allowance of uncollectibles was \$28,287 for the year ended December 31, 2009, which represents 5% of the total ad valorem tax receivable. This estimate is based on the District's history of collections within this revenue stream.

Capital Assets

Capital assets are reported in the governmental activity column in the government-wide financial statements. Capital assets are capitalized at historical cost, or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The District maintains a threshold level of \$1,000 or more for capitalizing capital assets.

In the fund financial statements, capital assets used in the governmental fund operations are accounted for as capital outlay expenditures upon acquisition.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 9

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Capital Assets (Continued)

All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

Description	Estimated Lives
Buildings and Improvements	20 - 40 Years
Equipment	5 - 10 Years
Fire Trucks	15 Years

Total depreciation expense for the year ended December 31, 2009, was \$86,920.

Compensated Absences

The District's policy is to allow employees vacation pay based on length of service. Vacation pay is cumulative with any unpaid amounts paid upon separation from the District's service. The District's full-time employees shall be entitled to and given, with full pay, sick leave aggregating no less than fifty-two (52) weeks during a calendar year for any sickness or injury or incapacity not brought about by his own negligence or culpable indiscretion. Sick leave is not cumulative and the employee's right to unused sick leave does not vest.

Unused accumulated sick and vacation leave are paid only upon approval of the Board of Commissioners. As of December 31, 2009, compensated absences were not material; therefore, an accrual was not made.

Long-Term Debt

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities Statement of Net Assets.

In the fund financial statements, the face amount of any debt issued is reported as other financing sources. Expenditures for principal and interest payments for long-term obligations are recognized in the general fund when paid.

Equity Classifications

In the government-wide financial statements, equity is classified as net assets and displayed in three components:

- Invested in capital assets, net of related debt* - consist of capital assets including restricted assets, net of accumulated depreciation, and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvements of those assets.
- Restricted net assets* - consist of net assets with constraints placed on their use either by external groups or law.
- Unrestricted net assets* - consist of all other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 9

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Equity Classifications (Continued)

In the fund financial statements, governmental funds report reservations of fund balances for amounts not available for appropriation or that are legally restricted by outside parties for use for a specific purpose. Designations of fund balances represent tentative management plans that are subject to change.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues, expenditures and expenses during the reporting period. Actual results could differ from those estimates.

Note 2. Levied Taxes

Ad valorem taxes are levied by the District during the year and billed to taxpayers in November. Taxes are due and payable by December 31st of each year and become delinquent thereafter. Unpaid ad valorem taxes attach as an enforceable lien on property as of January 1st subsequent to being levied. Revenues from ad valorem taxes are budgeted in the year billed and recognized as revenue when levied, to the extent that they are determined to be currently collectible. The St. Tammany Parish Sheriff bills and collects the property taxes using the assessed value determined by the Tax Assessor of St. Tammany Parish.

Note 3. Fire Insurance Premium Tax

The District is eligible and receives a pro-rata share of the fire insurance premium taxes collected by the State of Louisiana in accordance with LRS 22:345. The amounts received by the District are based on the population of the areas that they serve. In accordance with this statute, such money shall be used only for the purpose of "rendering more efficient and efficacious" fire protection as the District shall direct.

Note 4. Cash and Cash Equivalents

At December 31, 2009, the carrying value of the District's cash and cash equivalents consisted of:

Demand Deposits	\$ 48,079
Petty Cash	<u>29</u>
Total Cash and Cash Equivalents	<u>\$ 48,108</u>

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 9**Notes to Financial Statements****Note 4. Cash and Cash Equivalents (Continued)**

These deposits are stated at cost, which approximates market. Under state law, deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

Custodial Credit Risk - Deposits. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk. As of December 31, 2009, none of the District's bank balance of \$53,402 was exposed to custodial credit risk.

Note 5. Capital Assets

Capital assets and depreciation activity as of and for the year ended December 31, 2009, is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Asset, Not Being Depreciated				
Land	\$ 55,243	\$ 27,505	\$ -	\$ 82,748
Capital Assets, Being Depreciated				
Buildings and Improvements	534,201	20,788	-	554,989
Firefighting Equipment	1,029,504	285,114	-	1,314,618
Total Capital Assets, Being Depreciated	1,563,705	305,902	-	1,869,607
Less Accumulated Depreciation for:				
Buildings and Improvements	(75,395)	(14,463)	-	(89,858)
Firefighting Equipment	(585,590)	(72,457)	-	(658,047)
Total Accumulated Depreciation	(660,985)	(86,920)	-	(747,905)
Total Capital Assets, Being Depreciated, Net	902,720	218,982	-	1,121,702
Total Capital Assets, Net	\$ 957,963	\$ 246,487	\$ -	\$ 1,204,450

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 9

Notes to Financial Statements

Note 6. Long-Term Obligations

The following is a summary of the long-term obligation transactions for the year ended December 31, 2009:

	Capital Lease	Certificates of Indebtedness	Total
December 31, 2008	\$ -	\$ 120,000	\$ 120,000
Issued	40,187	-	40,187
Retired	(20,764)	(38,000)	(58,764)
December 31, 2009	<u>\$ 19,423</u>	<u>\$ 82,000</u>	<u>\$ 101,423</u>
\$19,423 Capital Lease dated August 21, 2009, balance due August 21, 2010, with interest at 6.9%. Net book value of truck at December 31, 2009, is \$17,804.			\$ 19,423
\$260,000 Certificate of Indebtedness dated September 22, 2004, balance due in annual principal installments, starting March 1, 2005, of \$26,000 - \$42,000, plus semi-annual interest payments through March 1, 2011, at 3.5% to 4.0%.			<u>82,000</u>
Total			<u>\$ 101,423</u>

The following is a schedule of future principal debt service requirements:

Year Ending December 31,	Capital Lease		Certificate of Indebtedness		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2010	\$ 19,423	\$ 1,340	\$ 40,000	\$ 2,480	\$ 59,423	\$ 3,820
2011	-	-	42,000	840	42,000	840
Total	<u>\$ 19,423</u>	<u>\$ 1,340</u>	<u>\$ 82,000</u>	<u>\$ 3,320</u>	<u>\$ 101,423</u>	<u>\$ 4,660</u>

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 9

Notes to Financial Statements

Note 7. Retirement System

All full-time employees are members of the Firefighters' Retirement System. The Firefighters' Retirement System Pension Plan (the Plan) is a cost sharing, multiple-employer, non-qualified defined benefit pension plan covering firefighters employed by any municipality, parish, or fire protection district of the State of Louisiana, under the provisions of Louisiana Revised Statutes 11:2251 - 2269, effective January 1, 1990. The Plan is not a qualified plan as defined by the Internal Revenue Code, nor is it subject to the Employee Retirement Income Security Act of 1984.

Employees with 20 or more years of service who have attained age 50, or employees who have 12 years of service who have attained age 55, or employees with 25 years of service at any age are entitled to annual pension benefits equal to 3% of their average final compensation based on the 36 consecutive months of highest pay multiplied by their total years of service, not to exceed 100%. Employees may elect to receive their pension benefits in the form of a joint and survivor annuity.

If employees terminate before rendering 12 years of service, they forfeit the right to receive the portion of their accumulated Plan benefits attributable to their employer's contributions. Benefits are payable over the employees' lives in the form of a monthly annuity. Employees may elect an unreduced benefit or any of four options at retirement.

Plan members are required by statute to contribute 8% of their covered compensation, and the District is required to contribute at an actuarially determined rate. The rate at December 31, 2009, was 14%. The District's contributions to the Plan were \$34,405 and \$24,510, for the years ended December 31, 2009 and 2008, respectively.

The Plan issues an annual publicly available financial report that includes financial statements and required supplementary information for the Plan. That report may be obtained by writing to the Firefighters' Retirement System, P.O. Box 94095, Capital Station, Baton Rouge, Louisiana 70804-9095, or by calling (225) 925-4060 or online at www.lafirefightersret.com.

Note 8. Litigation and Claims / Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District attempts to minimize risk from significant losses through the purchase of commercial insurance.

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 9

Notes to Financial Statements

Note 9. Compensation Paid to Board Members

The schedule of compensation paid is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature.

Compensation paid to the Board of Commissioners of the District for the year ended December 31, 2009, is as follows:

Kim Shepherd, Chairman	\$ -
Harvey Haydon, Treasurer	-
Steve Perrin, Secretary	-
James Scott LeBlanc	-
Will Sifert	-
	<hr/>
Total	\$ -

REQUIRED SUPPLEMENTAL INFORMATION

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 9
Budgetary Comparison Schedule (Budgetary Basis)
General Fund
For the Year Ended December 31, 2009

	<u>Budgetary Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
			<u>(Budgetary</u>	<u>Favorable</u>
			<u>Basis)</u>	<u>(Unfavorable)</u>
Revenues				
Ad Valorem Taxes	\$ 440,000	\$ 476,000	\$ 476,290	\$ 290
Intergovernmental Revenues				
State Revenue Sharing	-	23,240	23,240	-
Fire Insurance Premium Tax	-	12,500	12,570	70
Grant Revenue	-	60,000	95,361	35,361
Interest	-	-	676	676
Miscellaneous Income	-	68,665	22,407	(46,258)
Proceeds from Sale of Equipment	-	11,500	11,950	450
Total Revenues	440,000	651,905	642,494	(9,411)
Expenditures				
Public Safety - Fire Protection				
Salaries and Benefits	281,900	359,400	361,431	(2,031)
Equipment and Supplies	22,300	20,650	21,016	(366)
Operations and Repairs	27,200	61,700	65,529	(3,829)
Insurance	32,000	16,750	16,848	(98)
Training	5,000	6,000	6,084	(84)
Dispatcher Fees	9,000	9,000	8,940	60
Utilities	12,700	12,700	12,614	86
Professional Fees	13,500	13,500	14,869	(1,369)
Other	2,450	2,450	4,881	(2,431)
Office Supplies	3,000	3,000	2,637	363
Debt Service				
Principal	30,000	70,000	38,000	32,000
Interest	5,060	4,030	4,029	1
Capital Outlay	7,000	101,155	120,697	(19,542)
Total Expenditures	451,110	680,335	677,575	2,760
Net Change in Fund Balance Before Transfers	\$ (11,110)	\$ (28,430)	(35,081)	\$ (6,651)
Other Financing Sources				
Transfer from Fire Protection District No. 10			32,725	
Net Change in Fund Balance			(2,356)	
Fund Balance, Beginning of Year			523,536	
Fund Balance, End of Year			\$ 521,180	



**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the Board of Commissioners
St. Tammany Parish Fire Protection District No. 9
Bush, Louisiana

We have audited the financial statements of the governmental activities and the major fund of St. Tammany Parish Fire Protection District No. 9 (the District), a component unit of the St. Tammany Parish Government, as of and for the year ended December 31, 2009, which collectively comprise St. Tammany Fire Protection District No. 9's basic financial statements and have issued our report thereon dated May 3, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered St. Tammany Parish Fire Protection District No. 9's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies to be material weaknesses.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and responses as item 2009 - 1 to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether St. Tammany Parish Fire Protection District No. 9's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance and other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as item 2009 - 2.

St. Tammany Parish Fire Protection District No. 9's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. We did not audit the District's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the Board of Commissioners, the Louisiana Legislative Auditor, and federal awarding agencies and pass-through entities and is not intended to be, and should not be, used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

A Professional Accounting Corporation

May 3, 2010

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 9

**Schedule of Findings and Responses
For the Year Ended December 31, 2009**

2009 - 1 Financial Statement Preparation

Criteria: Internal controls over financial reporting are necessary in order for management, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis.

Condition: As is common in small organizations, management has chosen to engage the auditor to propose certain year-end adjusting journal entries and to prepare the District's annual financial statements. This condition is intentional by management based upon the District's lack of financial complexity, along with the cost prohibitive nature of acquiring the ability to prepare financial statements in accordance with generally accepted accounting principles. Consistent with this decision, internal controls over the preparation of year-end adjusting entries and annual financial statements, complete with notes, in accordance with generally accepted accounting principles, have not been fully implemented. Under generally accepted auditing standards (GAAS), this condition represents a material weakness in internal controls. GAAS does not provide exceptions to reporting deficiencies that are adequately mitigated with non-audit services rendered by the auditor or deficiencies for which the remedy would be cost prohibitive or otherwise impractical.

Effect: Management, in the normal course of performing their assigned functions, cannot prevent or detect misstatements on a timely basis.

Recommendation: We recommend the District obtain the necessary understanding and ability to prepare the financial statements and related footnotes.

Management Response: Management has determined that the most cost effective and prudent use of the District's funds is to engage the auditor to prepare the District's financial report. As such, we feel no action by the District is necessary at this time.

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 9

Schedule of Findings and Responses (Continued)
For the Year Ended December 31, 2009

2009 - 2 Public Participation

<i>Criteria:</i>	LRS 39:1307 requires the District to afford the public an opportunity to participate in the budgetary process prior to adoption of the budget if total proposed expenditures are five hundred thousand dollars or more from the general fund or any special revenue funds in a fiscal year or other similar budgetary period.
<i>Condition:</i>	The District failed to publish a notice stating that the proposed budget was available for public inspection and when the public hearing on the proposed budget was to be held.
<i>Effect:</i>	Violation of LRS 39:1307.
<i>Recommendation:</i>	The District should review proposed budgeted expenditures, and if necessary, publish a notice at least ten days prior to the date of the first public hearing.
<i>Management Response:</i>	In the future, the District will publish a notice to the public prior to the adoption of the budget.

ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 9

**Schedule of Prior Year Findings
For the Year Ended December 31, 2009**

2008 - 1 Financial Statement Preparation

Status: This finding has not been resolved. See current year finding 2009 -1.